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TAGS: [SENV](#) [ENRG](#) [EAIR](#) [GM](#)  
SUBJECT: UK ENGAGING GERMANY ON POSSIBLE ENERGY/CLIMATE  
DELIVERABLES FOR U.S.-EU SUMMIT

REF: JACOBY-PATON TELECON OF 8 MARCH

Classified By: EMIN Robert F. Cekuta for reasons 1.4 (b) and (d).

¶1. (C/NF) A British Embassy contact passed emboff the following British draft non-paper March 7 that they have been told to deliver to the German government. He asked that the USG not/not disclose that it had received/knew the contents of the document. The non-paper is most striking for its pragmatic approach, running contrary to media speculation that PM Blair and Chancellor Merkel plan to use the U.S.-EU and G-8 summits to impose a post-Kyoto framework on the United States. The UK non-paper recognizes that questions of a post-2012 framework and emissions trading are contentious. The paper advocates discussion on these issues between the U.S. and EU, along with moving ahead on concrete cooperation on clean energy technology, energy efficiency, and harmonization of standards. The paper may be useful in identifying areas of agreement and, perhaps, proposing alternatives to Germany's goal of 2-degree Celsius cap on global temperature increase.

¶2. (C/NF) Begin text of UK non-paper:

DRAFT UK NON-PAPER FOR GERMAN PRESIDENCY ON CLIMATE CHANGE  
FOR EU-U.S, SUMMIT

The UK strongly supports the proposal to make energy and climate change a key objective of the EU-U.S. Summit through the development of an Implementation Plan based on the conclusions of the EU-U.S. High Level Dialogue on Climate Change, Clean Energy and Sustainable Development (Helsinki, October 24-25, 2006), and the recent outcomes from the February 20th Environment Council Conclusions.

The UK agrees that the plan should look to identify specific areas for collaboration between the EU and the U.S. on energy efficiency, biofuels and carbon capture and storage. Such a plan could include specific action points that will result in real emissions reductions, as well as increasing energy security, both of supply and demand.

The summit comes at a crucial time in international climate change developments, and will provide an opportunity to develop discussions on elements of a future framework, especially, in the light of developments at the March Spring Council, the G8 5 Environment Ministerial and the official level preparatory meeting for Heiligendamm.

The summit should look to strengthen the UNFCCC process by agreeing to support the launch of negotiations on a comprehensive global future framework in 2007, and concluding negotiations by 2009, to avoid a gap between the first and second commitment phases of the Kyoto Protocol.

## POSSIBLE ELEMENTS (following the Helsinki Agenda)

The EU and U.S. delegations agreed to strengthen bilateral cooperation including to:

"Promote the commercial deployment of clean coal and carbon sequestration technologies, including through the Carbon Sequestration Leadership Forum;"

UK SUGGESTION: The EU's work on CCS should be emphasised, highlighting the European Commission's communication 'Sustainable Power Generation from Fossil Fuels: aiming for near zero emissions from coal after 2020'. We could encourage the U.S. to agree language which shows a commitment to looking beyond FutureGen and at deployment mechanisms along similar lines. There should be a commitment to continued/increased support of the Carbon Sequestration Leadership Forum.

"Promote energy efficiency, particularly in the transportation sector and for buildings and appliances;"

UK SUGGESTION: We should for U.S. endorsement of the EU concept of an international agreement on energy efficiency. Areas on which the agreement could helpfully focus include standards for globally traded goods (where we already have effective cooperation on Energy Star), standby-by power, lighting and standards for new and existing buildings. These are also all areas we are simultaneously pushing for progress within a G8 context, building on the Gleneagles POA and the IEA's G8 work. As well as committing to information exchange we should aim to agree practical actions to deliver progress and actual energy savings.

Areas for specific EU-U.S. collaboration could be developed from those suggested in the G8 St Petersburg Summit communication on Energy:

In the transportation sector, President Bush has announced plans to reform and modernise the Corporate Average Fuel Economy (CAFE) Standards, intended to reduce projected annual gasoline use by up to 8.5 billion gallons (5%). The European Commission will be proposing a legislative framework to reduce CO2 emissions from new cars and vans by the end of 2007. We could look to identify ways of linking U.S. and EU fuel economy standards as a possible precursor to global standards.

"Research, develop and deploy second-generation biofuels;"

UK SUGGESTION: The UK supports further collaboration on research and development of 2nd generation bio-fuels, and the development of roadmaps would be a beneficial measure. President Bush has announced a mandatory fuels standard will require 35 billion gallons of renewable and alternative fuels in 2017. In support of this the U.S. Department of Agriculture has proposed \$1.6 billion in new funding for renewable energy, with a focus on cellulosic energy research and production. We should look to capitalise on this by seeking to share expertise on biofuels and linking U.S. research with European research carried out with funding under the Framework 7 programme. There could also be a commitment to continued/increased support for the EPOBIO project.

"Both sides reaffirmed their commitment to continue joint dialogue and efforts under the UN Framework Convention on Climate Change including work on long term cooperative action in the process established in Montreal in December 2005."

UK SUGGESTION: At the inaugural meeting of the EU-U.S. High Level Dialogue on Climate Change, both sides reaffirmed their commitment to continue joint dialogue and efforts under the UNFCCC. We should look to reiterate, and where possible, strengthen the language already expressed in order to send a message that the U.S. is supportive of the UNFCCC process. An ambitious outcome would be for the U.S. to agree to language supporting the need for a long-term stabilisation goal, and for a firm mandate to begin negotiations on

elements of a post 2012 framework in Bali at the end of 2007, with the intention of concluding negotiations in 2009.

POSSIBLE ELEMENTS (not from HELSINKI AGENDA)

-- Emissions Trading

UK SUGGESTION: The UK agrees that the EU should continue to show that the EUETS works and to send positive messages about the long-term viability of the scheme. An ambitious outcome would be an agreement to start an EU-U.S. dialogue on lessons learnt from the EUETS. This could be presented as a response to the legislative proposals that have been tabled in the first few months of 2007 in the U.S., and would demonstrate an awareness on the part of the U.S. of the advantages inherent in developing the role of carbon markets in the future, as is being done with the Australian Emissions Trading Task Force.

-- Economics of climate change

UK SUGGESTION: That a follow up study to the Stern review be carried out, focusing on the economic and trade benefits and drawbacks of closer alignment of clean energy technology and climate change policies between the EU and the U.S..

End text of UK non-paper.  
TIMKEN JR